



1995 SENATE BILL 295

August 16, 1995 - Introduced by Senators WEEDEN, ELLIS and RUDE, by request of Governor Tommy G. Thompson. Referred to Committee on State Government Operations and Corrections.

1 **AN ACT to amend** 24.63 (4), 24.65, 24.70 (2), 24.70 (4), 24.70 (6), 24.71 (2), 24.71
2 (4) and 24.71 (5) of the statutes; **relating to:** the date for repayment of loans
3 made to local governmental units from state trust funds.

Analysis by the Legislative Reference Bureau

Under current law, a local governmental unit may obtain a loan from the state trust funds under certain conditions. A loan is repayable in annual instalments of principal and accrued interest for a term of not more than 20 years. Loan repayments, including interest, are due by March 15 of each year. A local governmental unit may prepay one or more instalments after March 15 and before August 1 of any year.

This bill provides that the due date for repayment of any loan made from state trust funds shall be specified in a written agreement between the board of commissioners of public lands and the local governmental unit obtaining a loan. The bill also permits any local governmental unit which obtains a loan to prepay any part of the principal and accrued interest at any time.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 24.63 (4) of the statutes, as affected by 1995 Wisconsin Act 27, is
5 amended to read:

6 24.63 (4) **REPAYMENT BEFORE DUE DATE PERMITTED.** Any borrower ~~after March 15~~
7 ~~and prior to August 1 of any year~~ may repay one or more instalments in advance of

1 the due date, and all interest upon such advance payment shall thereupon
2 terminate.

3 **SECTION 2.** 24.65 of the statutes is amended to read:

4 **24.65 Date when interest and principal become due.** The annual interest
5 and instalments of principal of all state trust fund loans are payable into the state
6 treasury on or before the date specified ~~in~~ under s. 24.70 (4) or 24.71 (4).

7 **SECTION 3.** 24.70 (2) of the statutes, as affected by 1995 Wisconsin Act 27, is
8 amended to read:

9 **24.70 (2) CERTIFIED STATEMENT.** If a borrower other than a school district has
10 a state trust fund loan, the board shall transmit to the clerk of the jurisdiction, or the
11 person signing the application on behalf of the borrower in the case of a cooperative
12 educational service agency, a certified statement of the amount due for each calendar
13 year on or before October 1 of ~~each~~ the year preceding that year until the loan is
14 repaid. The board shall submit a copy of each certified statement to the state
15 treasurer. A cooperative educational service agency shall transmit a copy of the
16 statement to the clerk of each school district on behalf of which the agency has
17 obtained a loan.

18 **SECTION 4.** 24.70 (4) of the statutes, as affected by 1995 Wisconsin Act 27, is
19 amended to read:

20 **24.70 (4) PAYMENT TO STATE TREASURER.** The board and the municipality that
21 obtains a loan shall agree in writing on a due date for annual repayments of principal
22 and accrued interest. The treasurer of each municipality shall transmit to the state
23 treasurer on his or her order the full amount levied for state trust fund loans ~~within~~
24 15 no later than 7 days after March 15 the due date specified under the agreement.
25 Each cooperative educational service agency shall similarly transmit the annual

1 amount owed on any state trust fund loan made to the agency by that date. The state
2 treasurer shall notify the board when he or she receives payment. Any payment not
3 made by ~~March 30~~ within 7 days after the due date is delinquent and is subject to a
4 penalty of one percent per month to be paid to the state treasurer with the delinquent
5 payment.

6 **SECTION 5.** 24.70 (6) of the statutes, as affected by 1995 Wisconsin Act 27, is
7 amended to read:

8 24.70 (6) FAILURE TO MAKE PAYMENTS. If any municipality fails to remit the
9 amount due by no later than 7 days after the date specified in the agreement entered
10 into under sub. (4), the board may file a certified statement of the amount delinquent
11 with the department of administration. The department of administration shall
12 collect the amount due, including any penalty, by deducting that amount from any
13 state payments due the municipality, shall remit that amount to the state treasurer
14 and shall notify the treasurer and the board of that action.

15 **SECTION 6.** 24.71 (2) of the statutes is amended to read:

16 24.71 (2) CERTIFIED STATEMENT. If a school district has a state trust fund loan,
17 the board shall transmit to the school district clerk a certified statement of the
18 amount due for each calendar year on or before October 1 of each the year preceding
19 that year until the loan is paid. The board shall furnish a copy of each certified
20 statement to the state treasurer and the department of public instruction.

21 **SECTION 7.** 24.71 (4) of the statutes is amended to read:

22 24.71 (4) PAYMENT TO STATE TREASURER. The board and the school district that
23 obtains a loan shall agree in writing upon a due date for annual repayments of
24 principal and accrued interest. The school district treasurer shall transmit to the
25 state treasurer on his or her own order the full amount levied for state trust fund

1 loans ~~within 15~~ no later than 7 days after ~~March 15~~ the due date specified under the
2 agreement. The state treasurer shall notify the board when he or she receives
3 payment. Any payment not made ~~by March 30~~ within 7 days after the due date is
4 delinquent and is subject to a penalty of one percent per month or fraction thereof,
5 to be paid to the state treasurer with the delinquent payment.

6 **SECTION 8.** 24.71 (5) of the statutes is amended to read:

7 24.71 (5) FAILURE TO MAKE PAYMENT. If the school district treasurer fails to remit
8 the amounts amount due no later than 7 days after the date specified in the
9 agreement entered into under sub. (4), the state superintendent, upon certification
10 of delinquency by the board, shall deduct the amount due including any penalty from
11 any school aid payments due the school district, shall remit such amount to the state
12 treasurer and, no later than June 15, shall notify the school district treasurer and
13 the board to that effect.

14 **SECTION 9. Initial applicability; date for repayment of state trust fund**
15 **loans.**

16 (1) This act first applies to repayments of loans made from state trust funds
17 that become due on March 15, 1996.

18 (END)